



# Iowa Department of Human Services

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Governor

Kim Reynolds  
Lt. Governor

Charles M. Palmer  
Director

## Iowa Mental Health and Disability Services Commission

August 27, 2015

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Charles M. Palmer, Director  
Iowa Department of Human Services  
Hoover State Office Building  
1305 E. Walnut Street  
Des Moines, IA 50319

Dear Director Palmer,

This letter is to communicate the recommendations of the MHDS Commission for addressing the increase in MHDS service costs in the DHS funding submission for State Fiscal Year 2017.

As you know, The Mental Health and Disability Services (MHDS) Commission has a statutory duty to advise the Administrator, the Council on Human Services, the Governor, and the General Assembly on budgets and appropriations concerning disability services. (Iowa Code 225C.6) In addition, when Senate File 2315 became law in 2012, it created the mental health and disability regional services fund and afforded the MHDS Commission an opportunity to provide input into your annual budget submission to “determine and include in the estimate the amount which in order to address the increase in the costs of providing services should be appropriated to the fund for the succeeding fiscal year.”

The Commission values this opportunity for timely consultation regarding this aspect of the Department’s budget estimate and has convened a committee to review available sources of information and formulate our five-part recommendation:

- First, we recommend increase the previous year’s budget by 0.5% to account for overall population growth and the resulting increase in service utilization. The increase corresponds with the increase in Iowa’s population according to the most recent census data.

- Second, we recommend an additional increase of 1.4% to account for year-to-year inflation. The Substance Abuse and Mental Health Services Administration (SAMHSA) uses the GDP price index produced by the Bureau of Economic Analysis (BEA) in its health expenditures calculations. Our recommended increase corresponds with the rate of inflation calculated by the BEA.
- Third, we recommend that you include funding to support MHDS Regions in providing full access to core services and to expand and sustain core plus services.
- Fourth, to ensure that individuals who are at risk of institutionalization have timely access to home and community-based options, we recommend that you include funding to make further significant reductions in the HCBS Waiver waiting lists in your budget request for Medicaid.
- Fifth, we recommend that a portion of the savings from the Medicaid Modernization Initiative and the Mental Health Institute Realignment, be used to build capacity for home and community-based services and supports, for alternative care settings, and for outpatient treatment and prevention services.

The members of the MHDS Commission look forward to continuing to work with you and the Department to ensure that our State's newly initiated regional mental health and disability services system has adequate resources and funding to effectively support and respond to the needs of Iowans.

Thank you for your consideration.

With regards,



Patrick Schmitz, Chair

Committee Members:

Thomas Broeker  
Jody Eaton  
Betty King  
Sharon Lambert  
Michael Polich  
Patrick Schmitz  
Marilyn Seeman  
Jennifer Sheehan